

NOTICE OF PROPOSED CHANGES IN REGULATIONS OF THE
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS)

ITEM # 1 California Work Opportunity and Responsibility to Kids (CalWORKs)
Temporary Absence

The CDSS hereby gives notice of the proposed regulatory action(s) described below. Any person interested may present statements or arguments orally or in writing relevant to the proposed regulations at a public hearing to be held September 7, 2016, as follows:

Office Building # 9
744 P Street, Room 202
Sacramento, California

The public hearing will convene at 10:00 a.m. and will remain open only as long as attendees are presenting testimony. The purpose of the hearing is to receive public testimony, not to engage in debate or discussion. The Department will adjourn the hearing immediately following the completion of testimony presentations. The above-referenced facility is accessible to persons with disabilities. If you are in need of a language interpreter at the hearing (including sign language), please notify the Department at least two weeks prior to the hearing.

Statements or arguments relating to the proposals may also be submitted in writing, e-mail, or by facsimile to the address/number listed below. All comments must be received by 5:00 p.m. on September 7, 2016.

Following the public hearing CDSS may thereafter adopt the proposals substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of nonsubstantive, technical, or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption to all persons who testify or submit written comments during the public comment period, and all persons who request notification. Please address requests for regulations as modified to the agency representative identified below.

Copies of the express terms of the proposed regulations and the Initial Statement of Reasons are available from the office listed below. This notice, the Initial Statement of Reasons and the text of the proposed regulations are available on the internet at [Public Hearings](http://www.cdss.ca.gov/ord/PG615.htm) (<http://www.cdss.ca.gov/ord/PG615.htm>). Additionally, all the information which the Department considered as the basis for these proposed regulations (i.e., rulemaking file) is available for public reading/perusal at the address listed below.

Following the public hearing, copies of the Final Statement of Reasons will be available from the office listed below:

CONTACT: Office of Regulations Development
California Department of Social Services
744 P Street, MS 8-4-192
Sacramento, California 95814
TELEPHONE: (916) 657-2586 FACSIMILE: (916) 654-3286
E-MAIL: ord@dss.ca.gov

CHAPTERS

Manual of Policy and Procedures (MPP) Chapters 42-700 Welfare-to-Work and 82-800 Assistance Unit.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The proposed regulations amend the CalWORKs temporary absence regulations to allow a child to continue receiving cash aid, while he or she is receiving medical treatment in a public hospital, during the entire length of the hospital stay. These changes are a result of Assembly Bill (AB) 419 (Chapter 293, Statutes of 2013) which became effective January 1, 2014.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 relegated the main responsibility of the income assistance program to the states replacing Aid to Families with Dependent Children (AFDC) with the Temporary Assistance for Needy Families (TANF) program. California's version of the TANF program is known as the California Work Opportunity and Responsibility to Kids (CalWORKs) program, which is funded by the federal TANF block grant, to provide temporary cash assistance and services to eligible families who have children under the age of 18.

Under current CalWORKs rules, cash aid is allowed to continue unchanged, under certain conditions, for any member of an Assistance Unit (AU) who is not in the home provided they are only temporarily absent. The temporary absence rules apply when any member of the AU is absent from the home for one full calendar month or less, unless an exception applies such as when a person is hospitalized, other than a child in a public hospital, who may be considered temporarily absent for the duration of the hospital stay. Existing law limited a child's eligibility to receive cash aid for up to two full calendar months only when she or he is in a public hospital for medical or surgical care. Prior to this bill coming into effect, CalWORKs rules did not limit the amount of time a child may be considered temporarily absent if receiving treatment in a private hospital. AB 419 now mandates that children receiving treatment in a public hospital are considered temporarily absent for the duration of the hospital stay.

This regulatory action will benefit the health and welfare of California residents by extending CalWORKs eligibility to children who are temporarily absent from the home and to continue receiving aid for the duration of the hospital stay for medical or surgical care. This regulatory action does not make changes to regulations involving worker safety or the state's environment. The amended and adopted regulations will increase the likelihood of stable families moving towards self-sufficiency, resulting in a positive economic impact to the state. In addition, the proposed regulations will make other technical, conforming changes, such as renumbering of sections and amending cross references as necessary.

Further, the proposed amendments will clarify the temporary absence regulations by introducing what actions are taken under Semi-Annual Report (SAR) and Annual Reporting/Child-Only (AR/CO) rules when an individual is determined to be permanently absent from the AU as enacted by AB 6 (Chapter 501, Section 1, Statutes of 2011) and Senate Bill (SB) 1041 (Chapter 47, Sections 7-10, Statutes of 2012). The proposed amendments establish what actions to take under SAR and AR/CO rules when an individual is determined to be permanently absent and what is required to report mid-period, including when counties may take action based on these specific changes.

The Department conducted a review of existing regulations and evaluated the proposed regulations for any inconsistency or incompatibility. The Department has found that these are the only regulations concerning the extension of CalWORKs benefits for children who are considered temporarily absent during the period of medical treatment at a public hospital. Therefore, the proposed regulations are neither inconsistent nor incompatible with existing state regulations, but do fulfill the intent of the Legislature in enacting AB 419.

COST ESTIMATE

1. Costs or Savings to State Agencies: With the implementation of this policy in January 2014, the impact of AB 419 is included in the CalWORKs caseload and expenditure trends under CalWORKs grants and is not budgeted separately. The last estimate provided, as reflected in the 2014-15 Appropriation, reflected \$2,000 general fund costs.
2. Costs to Local Agencies or School Districts Which Must Be Reimbursed in Accordance With Government Code Sections 17500 - 17630: None
3. Nondiscretionary Costs or Savings to Local Agencies: With the implementation of this policy in January 2014, the impact of AB 419 is included in the CalWORKs caseload and expenditure trends under CalWORKs grants and is not budgeted separately. The last estimate provided, as reflected in the 2014-15 Appropriation, reflected no county funding.
4. Federal Funding to State Agencies: With the implementation of this policy in January 2014, the impact of AB 419 is included in the CalWORKs caseload and expenditure trends under CalWORKs grants and is not budgeted separately. The last estimate provided, as reflected in the 2014-15 Appropriation, reflected \$19,000 TANF costs.

LOCAL MANDATE STATEMENT

These CalWORKs regulations do impose a state mandate on local agencies. There are "state-mandated local costs" in these regulations which require state reimbursement pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

STATEMENT OF SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

The CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. This determination was made based on the proposed regulatory action, which is designed to impact only the CalWORKs population in order to aid and strengthen needy families towards achieving their economic self-sufficiency.

STATEMENT OF POTENTIAL COST IMPACT ON PRIVATE PERSONS OR BUSINESSES

The CDSS is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. This regulatory action is designed to impact only the CalWORKs population in order to aid and strengthen needy families and there are no known expected costs associated to the individuals.

SMALL BUSINESS IMPACT STATEMENT

The CDSS has determined that there is no impact on small businesses as a result of adopting these regulations because the regulations are only applicable to state and county agencies. This determination was made based on the proposed regulatory action, which is designed to impact only the CalWORKs population in order to aid and strengthen needy families towards achieving their economic self-sufficiency.

STATEMENT OF RESULTS OF ECONOMIC IMPACT ASSESSMENT

The adoption of the proposed amendments will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California. This regulatory action will benefit the health and welfare of California residents by helping to protect the well-being of vulnerable children through extended CalWORKs benefits. There are no additional benefits for worker safety or the state's environment, as the regulations only affect individuals participating in the CalWORKs program.

STATEMENT OF EFFECT ON HOUSING COSTS

The proposed regulatory action will have no effect on housing costs.

STATEMENT OF ALTERNATIVES CONSIDERED

The CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective as and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. There is no negative effect of this regulatory action. This regulatory action provides parity for a child who is temporarily absent in a public hospital for the duration of the hospital stay for medical or surgical care. No reasonable alternatives have been presented for review.

AUTHORITY AND REFERENCE CITATIONS

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11265.1(c), 11265.2(d), 11265.3(h), 11265.45, 11265.45(b) and 11265.47(c)(2) Welfare and Institutions Code.

CDSS REPRESENTATIVE REGARDING THE RULEMAKING PROCESS OF THE PROPOSED REGULATION

Contact Person: Kenneth Jennings (916) 657-2586
Backup: Ying Sun (916) 657-2586